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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 23rd December, 1971/Pausa 2, 1893 (Saka)

The following Act of Parliament received the assent of the President on the 23rd December, 1971, and is hereby published for general information:—

THE JAYANTI SHIPPING COMPANY (ACQUISITION OF SHARES) ACT, 1971

No. 63 OF 1971

[*23rd December, 1971*]

An Act to provide for the acquisition of the shares of the Jayanti Shipping Company Limited in order to serve better the shipping needs of the nation and to facilitate the promotion and development, in the interests of the general public, of national shipping and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Jayanti Shipping Company (Acquisition of Shares) Act, 1971.

(2) It shall be deemed to have come into force on the 17th day of October, 1971.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "appointed day" means the date of commencement of this Act;

(b) "company" means the Jayanti Shipping Company Limited, being a company as defined in the Companies Act, 1956, having its registered office at Bombay; 1 of 1956.

(c) "shareholder" means a person, who, immediately before the appointed day, was registered as a shareholder in the capital of the company;

(d) "Shipping Corporation of India" means the Shipping Corporation of India Limited, being a Government company as defined in the Companies Act, 1956, having its registered office at Bombay; 1 of 1956.

(e) words and expressions used but not defined in this Act and defined in the Companies Act, 1956, shall have the meanings respectively assigned to them in that Act. 1 of 1956.

CHAPTER II

ACQUISITION OF SHARES OF THE COMPANY

Vesting of shares of company in Central Government and compensation therefor.

3. (1) On the appointed day,—

(a) all shares in the capital of the company shall, by virtue of this Act, be deemed to be transferred to and vested in the Central Government free from all trusts, liabilities and encumbrances; and

(b) as compensation therefor the Central Government shall, in accordance with the provisions of section 4, pay to the shareholders the sum of rupees four crores and fifty lakhs only in the aggregate.

(2) For the removal of doubts it is hereby declared that the transfer and vesting of shares effected under clause (a) of sub-section (1) shall not be deemed to affect any right of the company subsisting immediately before the appointed day against any shareholder to recover from him any sum of money on the ground that the shareholder has not paid or credited to the company the whole or any part of the value of the shares held by him or on any other ground whatsoever.

Apportionment and manner of payment of compensation.

4. (1) The amount of compensation payable under clause (b) of sub-section (1) of section 3 to the shareholders shall be apportioned among the shareholders according to the number of shares held by such shareholders.

(2) The amount of compensation payable to a shareholder in accordance with the provisions of sub-section (1) shall be given to him, at his option—

(a) in cash (to be paid by cheque drawn on the Reserve Bank of India) in three equal annual instalments, the amount of each instalment carrying interest at the rate of four per cent. per annum from the appointed day, or

(*b*) in saleable or otherwise transferable promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of—

(*i*) ten years from the appointed day and carrying interest from that day at the rate of four and a half per cent. per annum, or

(*ii*) thirty years from the appointed day and carrying interest from that day at the rate of five and a half per cent. per annum, or

(*c*) partly in cash (to be paid by cheque drawn on the Reserve Bank of India) and partly in such number of securities specified in sub-clause (*i*) or sub-clause (*ii*), or both, of clause (*b*), as may be required by the shareholder, or

(*d*) partly in such number of securities specified in sub-clause (*i*) of clause (*b*) and partly in such number of securities specified in sub-clause (*ii*) of that clause, as may be required by the shareholder.

(3) The first of the three equal annual instalments referred to in clause (*a*) of sub-section (2) shall be paid, and the securities referred to in clause (*b*) of that sub-section shall be issued, within sixty days from the date of receipt by the Central Government of the option referred to in that sub-section, or where no such option has been exercised, from the latest date before which such option ought to have been exercised.

(4) The option referred to in sub-section (2) shall be exercised by a shareholder before the expiry of a period of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the shareholder, allow) and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised.

(5) If a shareholder omits or fails to exercise the option referred to in sub-section (2), within the time specified in sub-section (4), he shall be deemed to have opted for payment in securities specified in sub-clause (*i*) of clause (*b*) of sub-section (2).

(6) Notwithstanding anything contained in this section, a shareholder may, before the expiry of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the shareholder, allow) make an application in writing to the Central Government for—

(*a*) the full payment of the compensation payable to him, if the compensation payable to him does not exceed rupees two lakhs; or

(*b*) an interim payment of an amount equal to seventy-five per cent. of the face value of the shares in respect of which compensation is payable to him, or rupees two lakhs, whichever is greater, if the compensation payable to him exceeds rupees two lakhs,

indicating in such application whether the payment is desired in cash or in securities specified in sub-section (2), or in both.

(7) The Central Government shall, within sixty days from the receipt of the application referred to in sub-section (6), make the full payment

or, as the case may be, the interim payment to the shareholder in accordance with the option indicated in such application.

(8) The interim payment made to a shareholder under sub-section (7) shall be set off against the total amount of compensation payable to him under this Act and the balance of the compensation remaining outstanding after such payment shall be given to the shareholder in accordance with the option exercised, or deemed to have been exercised, under sub-section (4) or sub-section (5), as the case may be:

Provided that where any part of the interim payment is obtained by the shareholder in cash, the payment so obtained shall be set off, in the first instance, against the first instalment of the cash payment referred to in sub-section (2), and in case the payment so obtained exceeds the amount of the first instalment, the excess amount shall be adjusted against the second instalment and the balance of such excess amount, if any, against the third instalment of the cash payment.

(9) If any dispute arises as to the person entitled to receive the compensation payable in respect of any share, the Central Government shall deposit the amount of such compensation in the court for being paid to the person or persons entitled to be paid.

CHAPTER III

MANAGEMENT OF COMPANY

Allocation of shares to Shipping Corporation of India and certain other persons.

5 (1) All the shares of the company vested in the Central Government by virtue of this Act, except one hundred thereof, shall immediately after they have so vested, stand transferred to and vested in the Shipping Corporation of India.

(2) The Central Government may by order transfer the remaining shares to such persons as may be specified in the order to enable the company to function as a Government company.

(3) On the transfer of shares to the Shipping Corporation of India under sub-section (1) or to any person under sub-section (2), the company shall forthwith register each transferee as a member of the company.

(4) The amount paid by the Central Government for the acquisition of the shares which stand transferred to and vested in the Shipping Corporation of India under sub-section (1) shall be deemed to be the contribution by the Central Government to the equity capital of that Corporation and that Corporation shall issue (if necessary, after amending its memorandum and articles of association) to the Central Government paid-up shares in its capital for a corresponding amount.

Amendment of memorandum and articles of association of company.

6. For the purpose of enabling the company to function as a Government company, the Central Government may, by notification published in the Official Gazette, make such amendments in the memorandum and articles of association of the company as it may consider necessary.

Interim management of company.

7. (1) Notwithstanding anything contained in the Companies Act, 1956, or in the memorandum or articles of association of the company, on and from the appointed day and till a new Board of directors of the company is duly constituted, the persons specified in the Schedule shall be

1 of 1956.

the directors of the company and shall constitute the Board of directors of the company.

(2) If any vacancy arises in the Board of directors specified in the Schedule, it shall be filled by the Central Government in such manner as it thinks fit and thereupon the Schedule shall be deemed to be amended accordingly.

(3) No act or proceeding of the Board of directors specified in the Schedule shall be invalid merely by reason of the existence of any vacancy in the membership of the Board.

CHAPTER IV

MISCELLANEOUS

Directors, etc., not entitled to compensation.

8. Notwithstanding anything contained in any law for the time being in force, no director or managerial personnel specified in section 197A of the Companies Act, 1956, or other person entitled to manage the whole or a substantial part of the business and affairs of the company under a special agreement or otherwise shall be entitled to any compensation against the company or the Central Government for the loss of office or for the premature termination of any contract of management entered into by him with the company whether such loss or termination was due to the provisions of the Jayanti Shipping Company (Taking Over of Management) Act, 1966 or this Act.

1 of 1956.

24 of 1966.

Contracts in bad faith, etc., may be cancelled or varied

9. The company may, within three years from the appointed day, make an application to any court having jurisdiction in this behalf for the purpose of cancelling or varying any contract or agreement entered into, at any time before the issue of the notified order under sub-section (1) of section 3 of the Jayanti Shipping Company (Taking Over of Management) Act, 1966, between the company and any other person and the court may, if satisfied after due inquiry that such contract or agreement had been entered into in bad faith and is detrimental to the interests of the company, make an order cancelling or varying (either unconditionally or subject to such conditions as it may think fit to impose) that contract or agreement, and the contract or agreement shall have effect accordingly.

24 of 1966.

Duty to deliver possession of property of company and documents relating to company.

10. Any person who has in his possession, custody or under his control any property of, or any books, documents or other papers relating to the property and assets of, the company, including any letters, memoranda, notes or other communications between him and the company, shall be liable to account for the said property, books, documents and other papers (including such letters, memoranda, notes or other communications) to the company and shall deliver them up to the company or to such other person as may be authorised for the purpose by the company.

Powers of inspection.

11. (1) For the purpose of ascertaining whether any property is the property of the company or for any other purpose mentioned in this Act or the rules made thereunder, any person authorised by the Central Government in this behalf shall have the right to—

(a) enter and inspect any premises;

(b) require any person having the possession, custody or control of any register or record of the company to produce such register or record;

(*c*) require the occupier of any property belonging to, or claimed to be the property of, the company, to submit to the person so authorised such accounts, books or other documents or to furnish to him such information as he may reasonably think necessary; and

(*d*) examine any person having the control of, or employed in connection with, the company and require him to make any statement touching the affairs of the company.

(*2*) Any person authorised by the Central Government under sub-section (*1*) shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

Penalty for false statements.

12. (*1*) If any person,—

(*a*) when required by this Act or by any order under this Act to make any statement or furnish any information, makes any statement or furnishes any information which is false in any material particular and which he knows or believes to be false or does not believe to be true; or

(*b*) makes any such statement as aforesaid in any book, account, record, return or other document which he is required by any order made under this Act to submit,

he shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

(*2*) Any person, who—

(*a*) having in his possession, custody or control any property forming part of the assets of the company, wrongfully withholds such property from the company, or any person authorised by the company, or

(*b*) wrongfully obtains possession of any property forming part of the assets of the company, or

(*c*) wilfully withholds or fails to produce to any person authorised under this Act, any register, record or other document which may be in his possession, custody or control, or

(*d*) fails, without any reasonable cause, to submit any accounts, books or other documents, when required to do so,

shall be punishable with imprisonment for a term which may extend to two years, or with fine which may extend to two thousand rupees, or with both.

Limitation on prosecution.

13. No court shall take cognizance of an offence under this Act except with the previous sanction of the Central Government or of an officer authorised by that Government in this behalf.

Act to have overriding effect.

14. The provisions of this Act or any notification, order or rule made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any law other than this Act or in any instrument having effect by virtue of any law other than this Act or in any order made by a civil court.

Protection of action taken under this Act.

15. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Shipping Corporation of India or any officer or other employee serving in connection with the affairs of the company for anything which is in good faith done or intended to be done under this Act.

Power to make rules.

16. (*1*) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(*2*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power to remove difficulties.

17. If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order as occasion requires, do anything (not inconsistent with the provisions of this Act) which appears to it to be necessary for the purpose of removing the difficulty :

Provided that no such order shall be issued after the expiration of two years from the appointed day.

Repeals and saving.

18. (*1*) The Jayanti Shipping Company (Taking Over of Management) Act, 1966, is hereby repealed. 24 of 1966.

(*2*) The Jayanti Shipping Company (Acquisition of Shares) Ordinance, 1971, is hereby repealed: 14 of 1971.

Provided that notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provision of this Act.

THE SCHEDULE

[*See* section 7(*1*)]

Name (1)	*Designation and address* (2)
Chairman of the Board of Directors and Managing Director of the Company	
Shri C. P. Srivastava	Chairman, Shipping Corporation of India Ltd., Bombay.
Directors of the Company	
Shri P. N. Jain	Joint Secretary, Ministry of Finance, New Delhi.

Name (1)	*Designation and address* (2)
Shri P. N. Mathur	General Manager, Central Railway, Bombay.
Shri J. A. Dave	Managing Director, Food Corporation of India, New Delhi.
Shri Jasjit Singh	Member, Central Board of Excise and Customs, Ministry of Finance (Department of Revenue), New Delhi.
Shri Kamaljit Singh	Managing Director, Indian Oil Corporation Ltd., Bombay.
Shri B. P. Srivastava	Director (Projects), Ministry of Shipping and Transport, New Delhi.

N. D. P. NAMBOODIRIPAD,
Joint Secy. to the Govt. of India.

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